

"VETERANS IN VA CONSISTENTLY **DO BETTER"**



A MESSAGE FROM **THE CHAIR**

Since May of 2015, I have had the privilege of chairing the Special Medical Advisory Group (SMAG). Operating under the Federal Advisory Committee Act, which requires a fully public process, SMAG membership consists of distinguished medical experts. Its authorizing statute requires that SMAG advise the Secretary of Veterans Affairs, through the Under Secretary for Health, on matters related to health care delivery, research, education, training of health care staff and shared care issues facing VA and the Department of Defense. This interim report summarizes SMAG's observations on the significant challenges VA has faced as it strives to provide world class care to Veterans, as well as the progress we have observed.

The context in which VA provides care is unique. First, it is central to VA's mission and purpose of "caring for those who've borne the battle." Second, the patient population has unique social and medical vulnerabilities, some deriving directly from the risks of their military occupational health exposures. Third, it is fair to say that while there is consensus that Veterans deserve the medical care they've earned through their service and sacrifice, there is no health care organization that is more publicly scrutinized as to how it delivers care and in terms of health outcomes.

While the entire Veteran population is high functioning socially and medically, the cohort of Veterans who rely on VA for their care have multiple social, medical and functional vulnerabilities. This phenomenon derives directly from the statutory criteria for "service-connected" VA health benefits. Consequently, the Veterans receiving care from VA are remarkably similar in their complex needs to another multiply-vulnerable population – non-Veterans who are dually eligible of Medicare (because of age and/or chronic disease) and Medicaid (because of poverty). These "dual eligibles" require up to five times the resources of either an average Medicare or Medicaid beneficiary and, tragically, despite that financial support, experience horrifically poor health outcomes that are well characterized in the research literature.

While VA has had well documented challenges, a question our nation must contemplate is why do Veterans with these same vulnerabilities as non-Veteran "dual eligibles", experience better health outcomes under VA care? Of the nine million Veterans enrolled in VA, two-thirds are of Medicare age 65 or older. Compared with age-matched Americans, these Veterans are sicker with three more chronic physical diagnoses and two additional mental health diagnoses. Finally, two-thirds have incomes below the poverty level. Despite these afflictions, it is SMAG's hypothesis that Veterans in VA consistently do better than a similar population due to the coordination of care provided. In short, VA provides a health home that assures preventive services, timely intervention for acute conditions, and intensive management of chronic diseases.

We observe that VA is cognizant of the fact that it cannot be all things to all patients, at all times, and in all locations. "Choice" means that VA must operate as a high-performing network, through which Veterans can access care outside of VA when a necessary technology is not available, when

1

A MESSAGE FROM THE CHAIR

distance to VA facilities makes reasonable geographic access impossible (such as in rural areas), or when there is insufficient concentration of expertise to make good outcomes predictable, and when demand exceeds capacity creating unacceptable delays in care. That does not relieve VA, however, from its obligation to coordinate services or provide cognizance of the context of military occupational health exposures that private sector lacks. Consider a 74-year-old, male, Vietnam War Veteran presenting to a urologist. In the VA, the physician would be thinking about Agent Orange exposure and the service-connected care benefits the Veteran has earned. In the private sector, this is not likely the case.

Just as our country faces formidable challenges in improving health, combating chronic disease, and sustaining affordable access to care (all exacerbated by care delivery more fragmented than any other first-world nation), VA faces similarly vexing questions. That said, VA has the unique ability to function as a system, address health and well-being as a part of its mission, and provide the coordination of services that positively differentiate Veteran outcomes from those of "dual eligibles."

To meet its mission effectively, it is appropriate that VA be accountable for its performance through metrics that are directly comparable with private sector. Further, VA can benefit from unbiased, yet publicly-accountable entities like SMAG in considering how VA evolves to the "highest performing network" that appreciates Veteran health issues, provides exceptional care coordination, and exceeds private sector performance.

During this past year, not surprisingly, our focus has been squarely directed on this third requirement – comparison with private sector performance. Without reiterating materials in the body of the report, it is clear that VA has focused on assessing and improving, using comparable metrics where available. While comparable metrics are, in fact, not available in terms of access, VA has simplified its measurement, implemented controls and audit systems (as discussed and recommended by SMAG and others), and made great progress in working down wait lists for medical services. Ironically, VA's measures are poised to become *de facto* standards for others, certainly through implementation of the access requirements of "The Choice Act."

The data show that VA has improved its operating performance. VA has also broadened its network multifold to include over 400,000 non-VA providers. VA has increased medical appointments within the VA system by about five percent since 2014 with 58 million VA appointments completed in FY 2016. It has increased appointments for care services outside of VA by about 61 percent since 2014. Not surprisingly, Veterans' self-reported experience of care has improved, and VA is slowly recovering the trust of the Veterans it is privileged to serve. The next opportunity is for VA employees to regain pride in their work; it is the key ingredient in a high-performing organization. So, with full awareness of the remaining and substantial work necessary to provide Veterans with the quality of service they deserve and earned – SMAG members seek to recognize the significant progress VA is making and thank the men and women of VA who made that happen.

Jonathan B. Perlin, MD, PhD, MSHA, MACP, FACMI Chair, Special Medical Advisory Group

THE **SPECIAL** MEDICAL ADVISORY GROUP

The Special Medical Advisory Committee was reconstituted with new membership and held its first meeting in May 2015. The SMAG, chartered by the Federal Advisory Committee Act since 1945, advises the Secretary and Under Secretary for Health on matters related to clinical care, research, training, and planning on shared issues facing the Department of Veterans Affairs (VA) and the Department of Defense (DoD). The appointment of 14 new members, all of whom are health care leaders from private, public, and nonprofit sectors, came at a critical juncture for VA, as it was struggling to manage increased demand for health care services.

As the federal government transitions to a new Administration, the members of the SMAG agree it is important to both highlight the significant progress made over the past 18 months and acknowledge the significant work still ahead for VA as it sets the course for long-term excellence and reform.

Due to the leadership of the Secretary, Under Secretary for Health, and the dedicated support of its em-

ployees, VA is well on the way to creating a successful Veteran-centric organization that meets the needs of all Veterans, going far beyond providing health care.

Numerous outcome studies have shown VA performs as well as, if not better than, the private sector on many measures of health. VA is advancing health care not only for Veterans, but all Americans.

A RAND Study¹ released in July 2016 showed VA performed better than the private sector in 96 percent (45 of 47) of outpatient measures, and performed the same as the private sector in the other 4 percent of outpatient measures.

Results from internal surveys designed to measure Veteran satisfaction with their ability to access care and their trust in VA's commitment to provide that care are informing efforts to improve the Veteran experience—trust in VA care has increased from 47 percent in 2015 to 60 percent in 2016.

Priority 5: Restoring Trust

		Veterans Experience Measure	% Agree or Strongly Agree December 2015 (n=1,447)	% Agree or Strongly Agree JanMarch 2016 Quarter 2 (n=24,415)	% Agree or Strongly Agree April-June 2016 Quarter 3 (n=29,873)	% Agree or Strongly Agree July-Sept. 2016 Quarter 4 (n=27,753)
	Brand	"I trust VA to fulfill our country's commitment to Veterans."	47%	55%	59%	60%
VETERAN EXPERIENCE	Effective	"I got the care or service I needed."	65%	72%	74%	75%
	Ease	"It was easy to get the care or services I needed."	46%	61%	65%	66%
	Emotion	"I felt like a valued customer."	54%	63%	67%	68%

¹ http://www.rand.org/news/press/2016/07/18.html

A **NOBLE** MISSION

On March 3, 1865—a month before the Civil War ended and the day before his second inauguration—President Lincoln signed the legislation that would establish a network of national facilities for Veterans called the National Homes for Disabled Volunteer Soldiers. Delivering his inaugural address the next day, President Lincoln set what became VA's mission with the words, "to care for him who shall have borne the battle and for his widow, and his orphan."

The first of those 11 National Homes opened in Togus, Maine, on November 1, 1866. The National Homes became part of the Veterans Administration when it was formed in 1930, and in 1988, Veterans got "a seat at the table of our national affairs" when President Ronald Reagan elevated VA to a cabinet-level Department.

In the 150 years since the first Veteran was admitted to the National Home in Togus, the VA health care

system has evolved into the nation's largest integrated health care system, with about 9 million enrolled patients, more than 350,000 employees, and more than 1,200 sites of care and an annual budget over 65 billion dollars.

Over the years, the VA health care system has developed certain core strengths that distinguish it from other health systems. The most important of these is unparalleled clinical expertise in treating conditions and disorders related to military service but also found in the general public, including spinal cord injury, post-traumatic stress, limb loss, and traumatic brain injury. Another is a team-based, patient-driven approach to primary care that is comprehensive, coordinated, and accessible. Additionally, VA's holistic approach to care addresses not only the physical aspects of illness, but the psychological, social, and economic determinants of a Veteran's well-being.

"TO CARE FOR HIM WHO SHALL HAVE BORNE THE BATTLE AND FOR HIS WIDOW, AND HIS ORPHAN."



THE WAY FORWARD

In the wake of its 2014 access crisis, VA developed a guiding document to help the health care system navigate an era of change. Called the Blueprint for Excellence, the document offered a detailed vision of how VA would evolve as a model national health care provider—delivering both excellent care and an excellent experience of care to every Veteran it serves.

MyVA Transformation

To transform the VA and achieve customer service excellence across VA and to rebuild trust with Veterans, families and survivors, and the American people, Secretary Robert McDonald established five MyVa Transformation Strategies:

- Improving Veteran Experience,
- Improving the Employee Experience,
- Achieving Support Services Excellence,
- Establishing a Culture of Continuous Performance,
- Enhancing Strategic Partnerships.

VHA Under Secretary of Health Five Priorities

Soon after his appointment as VA's Under Secretary for Health in July 2015, Dr. David J. Shulkin set five strategic priorities for the Veterans Health Administration (VHA) to support the MyVA transformation. The five VHA priorities are: Access; Employee Engagement; High Performance Network; Best Practices; and Trust in VA Care.

The progress VA has made over the past 18 months is significant. Following the access crisis in 2014, VA is transforming itself through innovation and technology and reaching performance that exceed some academic health institutions in providing access to care and satisfaction rates for our nation's Veterans. Selected accomplishments are highlighted below.

Under Secretary for Health's 5 Priorities for Strategic Action

1

Access

We will provide timely access to Veterans as determined by their clinical needs.

PSA: We pledge that any Veterans with the requirement for urgent care will receive care at the right time appropriate to his or her clinical needs.

2

Employee Engagement

We seek a work environment where employees are valued, supported and encouraged to do their best for Veterans.

PSA: We will work to allow staff to have greater input into their work environment.

3

High Performance Network

We will ensure that Veterans receive the highest level of coordinated care within VA or from participating providers.

PSA: We will build a high performance network of care to best serve Veterans.

4

Best Practices

We will use best clinical practices in research, education, and management. *PSA: We seek to identify and dissemble best practices throughout VA.*

5

Trust in VA Care

We will be there for our Veterans when they need us.

PSA: We will share our results on the quality and timeliness of how we care for Veterans.

IMPROVING ACCESS

3.1 Million

More appointments scheduled in the last two years.

88% STAT consults within 7 days.



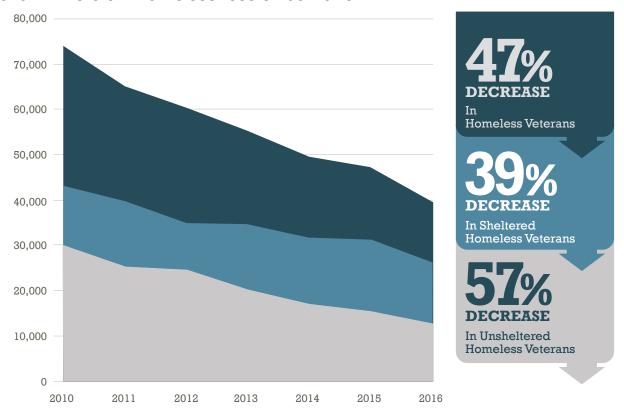


- In fiscal year 2016, VA completed nearly 58 million appointments, 1.2 million more than in fiscal year 2015 and almost 3.2 million more compared to fiscal year 2014.
- VA completed more than 96 percent of appointments in October 2016 within 30 days of the clinically indicated or Veteran's preferred date. More than 90 percent met the 14-day mark, 88 percent were completed within seven days, and more than 22 percent were completed on the same day, greatly improving access compared to fiscal year 2014.
- Veterans can now get same-day services at 166 VA medical centers when care is needed for primary care and mental health.
- In FY 2016, 12 percent of all Veterans enrolled for VA care received telehealth-based care. This includes 2.17 million telehealth visits, touching 702,000 Veterans. Being able to see Veterans trough telehealth has improved access tremendously.
- By the end of 2016, Veterans receiving care at VA Medical Centers are now able to seamlessly schedule routine ear and eye appointments at audiology and optometry clinics without a primary care referral, significantly decreasing wait times for appointments.
- In 2016, the Veterans Crisis Line hired an additional 324 responders, more than doubling capacity, an-

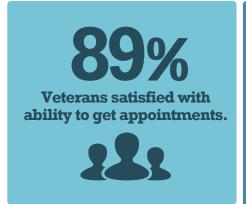
- swered nearly 510,000 calls, initiated the dispatch of emergency services nearly 12,000 times, handled more than 53,000 chat requests and 15,000 texts, and provided more than 86,000 referrals to local VA medical center suicide prevention coordinators.
- Veteran homelessness declined 17 percent between 2015 and 2016; quadruple the previous year's annual rate of decline, with an overall decline of 46 percent since 2010.
- Nearly 65,000 Veterans obtained permanent housing through VA homeless program interventions, and more than 36,000 Veterans and their family members—including 6,555 children—were prevented from ever becoming homeless.
- To bring an effective end to Veteran homelessness, VA has partnered with nearly 4,000 public and private agencies.
- A 2016 study¹ conducted by the University of Pittsburgh confirmed that VA's MyVA Access program, implemented in 2015, has significantly improved Veterans' access to care and improved wait times for urgent care across VHA medical centers.

¹ http://www.upmc.com/media/NewsReleases/2016/Pages/veteran-care.aspx

Reduction in Veteran Homelessness since 2010



Veteran homelessness has declined by 47 percent between 2010 and January 2016, with unsheltered homelessness among Veterans decreasing by 57 percent. Many communities have ended Veteran homelessness, and we expect other communities across the country to follow. But in making progress and achieving the goal, we must sustain the right systems and resources.



96.6%
Appointments within 30 days of clinically

indicated dates.



have same-day services when care is needed right away in Primary Care and Mental Health.





BEST PRACTICES

- The Diffusion of Excellence initiative was launched to identify, spread, and sustain best practices and foster a culture of innovation across the VA health care system.
- In less than one year, the initiative has seen more than 380 projects designed to replicate one of 13 Under Secretary for Health Gold Status Best Practices, more than 80 of which are completely implemented, while the rest are in progress.
- Throughout fiscal year 2017, the goal is to implement five of these practices at every VHA facility.
- The Diffusion Hub offers remarkable oversight capacity of change efforts throughout the system, and progress in identifying best practices, implementing them, and assessing their efficacy.
- VA's Tele-ICU program is transforming the way critical care services are delivered through innovation and technology. Tele-ICU links intensive care units at VA medical centers to a central monitoring hub staffed by intensivist physicians and experienced critical care nurses to ensure evidenced-based care for our sickest patients can be delivered in more hospitals than ever before.
- This year, VA spent \$630 million on research. The VA research program is enhanced by private and federal grants, bringing the estimated total research resources to \$1.8 billion.

- VA's partnership with IBM Watson Health¹ will help doctors expand and scale access to precision medicine over the next two years for 10,000 Veterans with cancer.
- A collaboration between the VA Palo Alto Health Care System and Stanford Medicine² will establish the nation's first center to deliver hadron therapy for cancer.
- As the world's largest genomic biobank, the Million Veteran Program (MVP) has enrolled more than 520,000 Veteran participants at more than 50 VA sites. Cutting edge research using MVP data to provide personalized medicine is already underway, studying a range of medical issues like mental illness and heart and kidney diseases.
- VA's newly established Center for Compassionate Innovation will explore emerging therapies to enhance Veterans' physical and mental well-being when other treatments have not been successful, through the lens of taking care of the whole Veteran, not just his or her medical diagnosis.

EMPLOYEE ENGAGEMENT

- A national Under Secretary for Health town hall was held in July 2016 to seek employee input on how to achieve a work environment where employees are valued, supported, and encouraged to do their best for Veterans.
- Communication between VHA employees and top leaders was prioritized and strongly encouraged with the creation of an on-line portal through the VA Pulse community. This internal collaborative platform also enables staff to share best practices, connect with colleagues to solve problems, and explore ideas for improving the Veteran experience.
- VHA has increased net on-board staff by more than 22,000 front-line employees since the beginning of fiscal year 2015 through the end of fiscal year 2016. This includes more than 7,150 nurses, 2,086 physicians, 148 psychiatrists, and 621 psychologists.
- VHA is investing in leaders at every level of the organization. As of May 2016, more than 11,000 employees had participated in VA's Leaders Developing Leaders program, empowering them with tools to solve challenges on the front-lines in caring for Veterans.

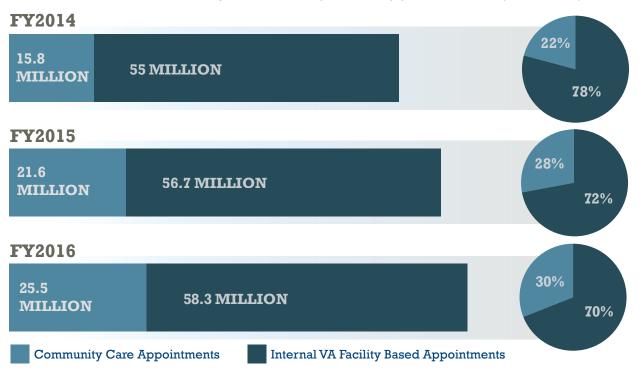
¹ http://www-03.ibm.com/press/us/en/pressrelease/50061.wss

² https://med.stanford.edu/news/all-news/2016/10/stanford-va-to-collaborate-on-nations-first-hadron-therapy-center.html

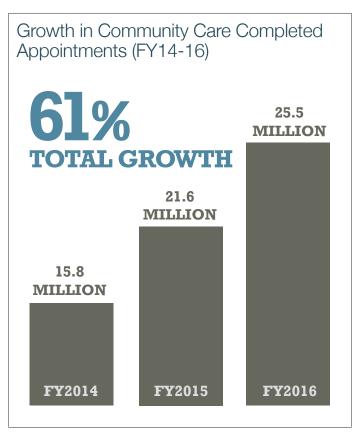
A HIGH PERFORMANCE NETWORK

Community Care appointments have increased by 61% overall and by 41% as a percentage of all VA appointments since FY2014.

Internal VA vs. Community Care Completed Appointments (FY14-16)



- More than 3.5 million authorizations for Veterans to receive care in the community were created through Choice from September 1, 2015 through August 31, 2016, a 13 percent increase in authorizations compared to the same period in 2014-2015.
- As of the end of fiscal year 2016, the Choice provider network had grown by 85 percent and now includes more than 400,000 providers.
- VA has submitted a plan to consolidate its multiple community care programs to Congress in October 2015. This plan outlines a single community care program that is easy to understand, simple to administer, and meets the needs of Veterans, community providers, and VA employees. Not yet operationalized, legislative action is still needed to move this plan forward.
- In fiscal year 2015, VA medical centers were affiliated with more than 1,800 academic institutions to train the health care professionals of tomorrow. About 70 percent of all U.S. physicians received at least some training at VA medical centers.



RESTORING TRUST AND CONFIDENCE

82% of VAMCs with Improvement - SAIL Quality Measures in Past Year

FY16Q3 SAIL Quality Star Percentile Cut-Off

Over all Quality FY15Q4-FY16Q3	Top 10% 5-Star	11-30th% 4-Star	31-70th% 3-Star	71-90th% 2-Star	Bottom % 1-Star	Total
Large Improvement	8	18	35	20	9	90
Small Improvement	3	7	13	5	2	30
Trivial Improvement	1	3	3	3	1	11
Trivial Decline	3	1	0	0	1	5
Small Decline	1	1	2	0	1	5
Meaningful Decline	1	1	2	0	1	5
Total	17	31	55	28	15	146

- VA hospitals compare favorably with others when it comes to treating older men with three common conditions—heart attacks, heart failure, and pneumonia, according to a study on death rates and readmissions published in the Journal of the American Medical Association¹ in February 2016.
- VA began publicly posting patient access data² online in June 2014. This information, not found in most other American health facilities, is provided to Veterans and the public with the knowledge that transparency and accountability will help improve care over time.
- In August 2016, VA released results of The Joint Commission Special Focused Surveys³ on VA health care facilities. Results indicate VA has made significant progress since The Joint Commission began its surveys two years ago.

- Since 2004, the American Customer Satisfaction Index (ACSI) survey has shown Veterans give VA health care higher ratings than most patients give private hospitals.
- For the sixth consecutive year, VA's Consolidated Mail Outpatient Pharmacy received the highest customer satisfaction score among the nation's public and private mail-order pharmacies, according to the 2015 J.D. Power study⁴.
- VA developed the Strategic Analytics for Improvement and Learning (SAIL) model to measure, evaluate, and benchmark quality and efficiency at medical centers. In the latest SAIL data release, 120 medical centers (82 percent) showed meaningful improvement in overall quality between the fourth quarter of fiscal year 2015 and the third quarter of fiscal year 2016.

¹ http://jamanetwork.com/journals/jama/fullarticle/2488309

² http://www.va.gov/health/access-audit.asp

³ http://www.va.gov/opa/docs/Joint-Commisson-Report-Final-Focused-Survey-Summation-May-2016.pdf

⁴ http://www.jdpower.com/press-releases/2015-us-pharmacy-study



"VETERANS GIVE VA HEALTH CARE HIGHER RATINGS THAN MOST PATIENTS GIVE PRIVATE HOSPITALS."

A FUTURE VISION FOR VA HEALTH CARE

When the National Academy of Medicine (formerly Institute of Medicine) was asked to evaluate access, it discovered there were no national standards for access. In the absence of national standards, VA is leading the nation in setting a goal for same-day service for Veterans with urgent needs in mental health and primary care. This is an example of how VA can leverage its strengths and weaknesses to improve health care not only for Veterans, but for all Americans.

Although VA has made undeniable progress in its transformation, there is much more work to do. Among the challenges that remain are outdated information technology systems, aging infrastructure, leadership vacancies, and lack of budget flexibility.

Transformation is a long-term process, and VA cannot afford to lose momentum. It is critical to stay focused on the key findings of the MITRE Independent Assessment and Commission on Care. These and other reports are informing the way forward on issues that continue to be challenges for VA.

The VA's many strengths make it essential for Veterans and the nation. VA must continue to fulfill its four missions: operate a national health care delivery system for eligible Veterans; conduct health care research; administer an education and training program for health care professionals; and provide contingency support for the Department of Defense and the Department of Health and Human Services during times of war or national emergency.

VA is transforming the current health care system into a high performance network based on a foundation of timely access and the integration of other federal health care entities and private sector providers to ensure the best possible outcomes for all enrolled Veterans.

The SMAG members recommend that VA continue to analyze strengths, weaknesses, opportunities, and threats and identify the way forward to consistently show improvement in quality and efficiency. VA is on the right path. The SMAG will continue to support this effort by providing guidance and assistance in seeing that this transformation into the prototypical health care organization for all health systems to emulate is achieved.

The plan for the future of VA health care includes:

- Faster hiring and greater accountability for results.
- Fostering public-private partnerships to serve our Veterans.
- Building and sustaining a digital health platform.
- Empowering Veteran well-being by implementing a whole health model of care.
- Strengthening VA as a learning health care system.
- Accelerating precision medicine and fostering innovation.
- Providing access to VA research data for non-VA researchers with appropriate safeguards.
- Training more primary care & behavioral health students.
- Delayering and creating a more efficient organizational structure.
- Creating a high performance network of community-based providers based on clinical outcomes and other performance measures.
- Performing an analysis of Strengths, Weaknesses, Opportunities, Threats (SWOT).

VHA's SWOT Analysis

STRENGTHS

- Provides care for Veterans no matter where they live
- Quality of Care
- Relationships with most academic and federal health organizations
- Primary Care/Behavioral Health integration
- Centers of Excellence
 (e.g. Spinal Cord Injury,
 National Center for PTSD)
- Addresses social determinants of care
- Education of Medical Professionals
- Research dedicated to improving Veteran Health

WEAKNESSES

- Capital Infrastructure
- Leadership Vacancies
- New unfunded requirements
- Lack of flexibility in funding community care

OPPORTUNITIES

- Public-private relationships
- Collaborate with academic, federal and community part-
- New technologies to improve care efficiency
- Plan to re-envision future care models
- Performing as an integrated

THREATS

- Leadership changes
- Increased demand for care
- Choice Program expiration
- Unfunded new mandates
- Retirements/loss of institutional knowledge



SPECIAL MEDICAL ADVISORY GROUP



Pictured from left to right - Keith Cook, Melvin Shipp, Deborah Trautman, Michelle Hamilton, Jonathan Perlin, David Shulkin, Thomas Lee, Joy llem, Barbara Hyduke, James Martin, James Weinstein. Not pictured are Karen Guice, Ralph Snyderman, Karen Ignagni, and Bruce Siegel.

Jonathan Perlin, MD, PhD, MSHA, FACP, FACMI

President, Clinical & Physician Services, Chief Medical Officer, Hospital Corporation of America

Jennifer Daley, MD, FACP

Chief Medical Officer, Market Medical Executive New England, Cigna Health Care

Karen Guice, MD, MPP

Principal Deputy Assistant Secretary of Defense for Health Affairs

Joy Ilem

National Legislative Director, Disabled American Veterans

Thomas Lee, MD

Chief Medical Officer, Press Ganey Associates, Inc.

James Henry Martin, MD

Physician, Captain James A. Lovell Federal Health Care Center

Ralph Snyderman, MD

Chancellor Emeritus, Duke University, Duke University Department of Medicine

Melvin Shipp, OD, MPH, DrPH

Emeritus Dean and Professor, Ohio State University, College of Optometry

Deborah Trautman, PhD, RN

President and Chief Executive Officer, American Association of Colleges of Nursing

Bruce Siegel, MD, MPH

President & Chief Executive Officer, America's Essential Hospitals

James Weinstein, DO, MD

Chief Executive Officer & President of Dartmouth-Hitchcock, The Dartmouth Institute

Michelle Hamilton, DMD, PhD

Chief of the Dental Service, Director for Research, VA Office of Dentistry

Karen Ignagni

President and Chief Executive Officer of Emblem Health Plan

Keith Cook, DPM, FACFAS

Director, Podiatric Medical Education and Residency Training, University Hospital

Barbara Hyduke, MSA

Designated Federal Officer

